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Turkey

Oilseeds and Products

Sunflowerseed and Products Update

2007

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Report Highlights:

The hottest and driest summer in decades has cut Turkish sunflower seed crop yields and MY 2007 production is now estimated at about 700,000 tons, 20 percent less than early season projections. Demand for imported sunflower seed, meal and oil will increase during MY 2007 due to insufficient domestic supplies. Lack of sunflower seeds in neighboring Balkan countries likely will force Turkey to import sun oil from Russia and Ukraine. During MY 2007 the GOT expected to lower the import duties for sunflower seed and products to prevent inflationary effects of high cost of imports on domestic economy. MY 2006 U.S. exports to Turkey of confectionary sunflower seeds have risen nearly 60 percent year-on-year to 16,681 tons.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

The hottest and driest summer in decades has seriously affected the MY 2007 Turkish sunflower seed crop; production is now forecast at 700,000 MT, about twenty percent less than earlier projections. Lack of precipitation reduced yields, particularly in the Thrace region where eighty percent of local sunflower seed grows.

Low domestic production should increase demand for imports of sunflower seed, meal and oil. Because drought conditions also affected sunflower production in neighboring producers Bulgaria, Romania and Moldova, the likely suppliers are Russia and Ukraine. As these countries have developed crushing facilities Turkey may have to import more oil than seed to meet the local demand.

Due to tight supplies, prices of sunflower seed and products have increased significantly during the last six months: per ton C&F Turkey prices of sunflower seed rose to USD 510 from USD 280, sunflower meal to USD 240 from USD 120 and sun oil to USD 995 from USD 660. Industry sources say that in order to reduce the inflationary pressure of high sunflower prices, the government needs to cut import duties on sun seed and oil, especially from Russia and Ukraine which are not WTO members. Presently, sun seed and sun oil import duties from non-WTO member countries are 45 and 60 percents respectively, compared to 27 and 36 percent from WTO members. Although adjustments in duties are expected eventually, most likely the government will wait until the middle of the crop year, when the entire domestic crop has been marketed, to prevent complaints from local producers who are already hurt by the drought condition.

The big cooperatives Trakya Birlik and Karadeniz Birlik are expected to buy from their members about 300,000 MT and 30,000 MT of sun seed respectively. Neither of the coops have announced buying prices yet. In 2006 coops paid 525 YTL/MT (USD 420) but current local prices for sun seed are about 650 YTL (USD 510) per ton and some producers are demanding 675 YTL(USD 530) per ton as a buying price.

The government in June made bonus payments of 200 YTL (USD 153)/ton on 2006 crop sunflower seed. These production bonus payments on old crop usually are made in August, just before the new crop harvest, but because of the July general elections this year's payments came early. The government already has announced that MY 2007 sunflower seed will receive a production bonus next year; how much bonus is not known yet. Industry sources say that for the future of domestic sunflower seed production it is crucial that coops and the government announce adequate domestic price and bonus payment, and pay promptly. Present high prices of sunflower should encourage farmers to plant next season.

MY 2006 U.S. exports of confectionary sunflower have risen to record levels. Sept. 2006 to June 2007 exports reached 16,681 tons, 58 percent more than in the same period of the previous year.

Lack of official trade figures prevents building trade matrixes, but despite a short domestic crop Turkey's sunflower seed imports from all origins are forecast to fall to 200,000 ton in MY 2007 due to tight supplies in exporting countries, compared to 450,000 ton in MY 2006. Imports of sunflower oil and meal, however, are projected to rise significantly, to 300,000 tons and 400,000 tons respectively. Despite the projected increase in imports, total availability of sunflower seed meal for domestic consumption will be short more than 100,000 tons, and likely will be replaced by other feed ingredients such as DDGS.

Because the drought adversely affected production of many crops the government is introducing emergency assistance programs for those farmers who were hurt by the drought

the most. The government also has introduced attractive credit and support programs to help farmers to build drip irrigation in to their fields.

(USD 1 = YTL 1.3)

PSD, Sunflower seed

Turkey Oilseed, Sunflower seed (1000 HA)(1000 MT)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		09/ 2005	09/ 2005		09/ 2006	09/ 2006		09/ 2007	09/ 2007
Area Planted	430	430	430	420	480	480	0	500	470
Area Harvested	430	430	430	420	480	480	0	500	470
Beginning Stocks	29	29	29	18	22	22	14	15	15
Production	750	750	750	700	850	850	0	875	700
MY Imports	345	395	395	480	200	450	0	300	200
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1124	1174	1174	1198	1072	1322	14	1190	915
MY Exports	3	0	0	5	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	1097	1145	1145	1170	1050	1300	0	1165	890
Food Use Dom. Cons.	4	4	4	4	3	3	0	4	4
Feed Waste Dom. Cons.	2	3	3	5	4	4	0	5	5
Total Dom. Cons.	1103	1152	1152	1179	1057	1307	0	1174	899
Ending Stocks	18	22	22	14	15	15	0	16	16
Total Distribution	1124	1174	1174	1198	1072	1322	0	1190	915
CY Imports	350	462	462	480	372	372	0	250	400
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	4	0	0	4	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

PSD, Sunflower seed meal

Turkey

Meal, Sunflower seed

(1000 MT) (PERCENT)

	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate 09/200 5	Post Estimate New 09/200 5	USDA Official	Post Estimate 09/200 6	Post Estimate New 09/200 6	USDA Official	Post Estimate 09/200 7	Post Estimate New 09/200 7
Market Year Begin									
Crush	1097	1145	1145	1170	1050	1300	0	1165	890
Extr. Rate, 999.9999	0.3828	0.5048	0.5048	0.3820	0.5047			0.4978	0.5056
Beginning Stocks	62	03	03	51	62	0.5	0	54	18
Production	0	0	0	0	60	60	0	20	20
MY Imports	420	578	578	447	530	650	0	580	450
MY Imp. from U.S.	315	383	383	320	360	300	0	380	400
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	0	0	0	0	0	0	0	0	0
MY Exports	735	961	961	767	950	1010	0	980	870
MY Exp. to EU	1	1	1	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	734	900	900	767	930	990	0	940	860
Ending Stocks Total	734	900	900	767	930	990	0	940	860
Distribution	0	60	60	0	20	20	0	40	10
CY Imports	735	961	961	767	950	1010	0	980	870
CY Imp. from U.S.	312	282	282	320	423	423	0	400	250
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	1	1	1	0	0	0	0	0	0
SME	0	0	0	0	0	0	0	0	0
	693.04			724.20	878.10	934.75		887.54	812.01
	28	849.78	849.78	14	6	8	0	8	2

PSD, Sunflowerseed Oil

Turkey

Oil, Sunflowerseed

(1000 MT)(PERCENT)

Market Year Begin	2005	Revised	Post	2006	Estimate	Post	2007	Forecast	Post
	USDA Official	Post Estimate 09/ 2005	Estimate New 09/ 2005	USDA Official	Post Estimate 09/ 2006	Estimate New 09/ 2006	USDA Official	Post Estimate 09/ 2007	Estimate New 09/ 2007
Crush	1097	1145	1145	1170	1050	1300	0	1140	890
Extr. Rate, 999.9999	0.4257 06	0.4192 14	0.4192 14	0.4239 32	0.4	0.41	0	0.4122 81	0.4157 3
Beginning Stocks	30	30	30	62	127	127	45	37	52
Production	467	480	480	496	420	530	0	470	370
MY Imports	408	350	350	410	150	70	0	225	300
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	905	860	860	968	697	727	45	732	722
MY Exports	82	133	133	100	50	50	0	70	50
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	20	5	5	21	5	5	0	5	5
Food Use Dom. Cons.	721	590	590	780	600	615	0	610	625
Feed Waste Dom. Cons.	20	5	5	22	5	5	0	5	5
Total Dom. Cons.	761	600	600	823	610	625	0	620	635
Ending Stocks Total	62	127	127	45	37	52	0	42	37
Distribution	905	860	860	968	697	727	0	732	722
CY Imports	200	200	200	400	398	398	0	200	80
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	45	48	48	100	100	100	0	100	40
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0